

ATTACHMENT J-5**CHECKOUT, ASSEMBLY and PAYLOAD PROCESSING SERVICES CONTRACT****PERFORMANCE/AWARD FEE
EVALUATION PLAN****I. Introduction**

The Performance/Award Fee Evaluation Plan defines the process by which the government will encourage and reward the contractor for safe, high quality, cost effective performance in fulfilling the contract requirements. The Performance/Award Fee evaluation process is composed of an objective as well as a subjective assessment by the government.

Seventy-five percent of the potential fee earned will be based upon the contractor's performance measured against objective performance criteria in areas of safety, technical, management, customer satisfaction, cost control, and socioeconomic considerations. This fee earned will be called the performance fee.

Twenty-five percent of the potential fee earned will be based upon a subjective assessment of contractor performance and is intended to incentivize process improvements, encourage effective working relationships and cooperation between Associate ISS Contractors, and to highlight specific Areas of Emphasis (AOE) to the contractor. This fee earned will be called the award fee.

Each fee evaluation rating is discrete and final. Unearned fee in a given period is lost and cannot be reassessed or moved into subsequent fee evaluation periods for consideration. An overall performance evaluation and fee determination of zero shall be made for any evaluation period when there is a major breach of safety or security as defined in NFS 1852.223-75, Major Breach of Safety or Security.

II. Evaluation Procedures

Performance/Award fee will be determined semiannually in accordance with the KDP-KSC-P-2402, Award Fee Evaluation Process. The Award Fee Board (AFB) will review and consider the summary evaluation report prepared by the Contracting Officer's Technical Representative (COTR), and additional contractor data, if any. The COTR will be the focal point for the accumulation and development of Performance/Award Fee evaluation reports, reviews, and presentations, as well as discussions with contractor management on Performance/Award Fee matters.

Performance metrics and AOE's will be established for each evaluation period and communicated by the Contracting Officer to the contractor at least 30 calendar days prior to the start of the evaluation period.

The contractor's performance will be assessed at the mid-point of each evaluation period. Contractor performance levels which require remedial attention, or which may adversely affect Performance/Award Fee ratings, will be made known to the contractor by the COTR.

Within 30 calendar days following each evaluation period, the COTR will prepare a summary report on the evaluation of the contractor's performance based on all metrics, government surveillance data, AOE's and contractor furnished data. The contractor will be furnished a copy of the evaluation report for the period. Within 5 working days from receipt of the evaluation report, the contractor may submit additional data relevant to the performance evaluation in writing to the COTR. The contractor also has the option of making a presentation to the Fee Determination Official (FDO) on that period's performance.

The award fee plan may be revised unilaterally by the government prior to the beginning of any rating period. Any changes made to the metrics and AOE's occurring within the evaluation period for which the metric is measured or the AOE is applied shall require mutual agreement of the government and contractor.

A. Evaluation Criteria

The Government will use objective and subjective criteria as a basis for arriving at the Performance/Award Fee score. Objective metrics will be developed using a tiered approach of increasingly important metrics to measure the contractor's performance and assist the government in the Performance/Award Fee evaluation process. The metrics will be divided into three linked categories describing how lower level metrics effect the outcome of upper level metrics. Category I metrics are the most important outcome based metrics, Category II are considered important leading indicator metrics, and Category III are intended to assess trends. The contractor's performance against the metrics combined with the government's subjective assessment will be used to arrive at an overall Performance/Award Fee score.

B. Performance Fee

The performance fee encourages contractor focus on overall safety, technical, management, customer satisfaction, cost control, and socioeconomic considerations. The Government will use objective criteria as a basis for arriving at a performance fee score. The maximum performance fee score possible is 75 points. The performance fee score will be determined from the contractor's performance of the Category I metrics and will be evaluated on a pass/fail criteria. **If the contractor meets all Category I metrics, the performance fee score awarded will be 75 points.** If the contractor does

not meet all Category I metrics, the FDO will consider the significance of the failure and determine the score. Performance Fee Metric Subject Areas are identified in Enclosure II.

C. Award Fee

The award fee encourages contractor focus on process improvements, relationships with Associate ISS Contractors, and Areas of Emphasis. The Government will use subjective criteria as a basis for arriving at the award fee score. The maximum award fee score possible is 25 points.

Cost savings to the government resulting from the implementation of a process improvement approved by the government may be eligible for sharing with the contractor pursuant to NFS 1852.243-71, Shared Savings (MAR 1997).

III. List of Enclosures

Enclosure I, Numerical Ranges and Adjective Definitions, sets forth the adjective ratings, definitions, and associated numerical ranges to be used to define the various levels of performance under the contract.

Enclosure II, Performance Fee Metrics

Enclosure III, Score Conversion Chart

Enclosure I

Numerical Ranges and Adjective Definitions

ADJECTIVE RATING	RANGE OF POINTS	DESCRIPTION
Excellent	100 - 91	Of exceptional merit; exemplary performance in a timely, efficient and economical manner; very minor (if any) deficiencies with no adverse effect on overall performance.
Very Good	90 - 81	Very effective performance, fully responsive to contract; contract requirements accomplished in a timely, efficient and economical manner for the most part; only minor deficiencies.
Good	80 - 71	Effective performance; fully responsive to contract requirements; reportable deficiencies, but with little identifiable effect on overall performance.
Satisfactory	70 - 61	Meets or slightly exceeds minimum acceptable standards; adequate results; reportable deficiencies with identifiable, but not substantial, effects on overall performance.
Poor/Unsatisfactory	60 - 0	Does not meet minimum acceptable standards in one or more areas; remedial action required in one or more areas; deficiencies in one or more areas which adversely affect overall performance.

Enclosure II

Performance Fee Metrics

Performance Fee Metric Subject Areas: Safety, Technical, Management, Cost Control, Customer Satisfaction, and Socioeconomic consideration

- Flight Hardware Processing Effectiveness
- S&MA Effectiveness
- Timely Reporting and Corrective Action Planning
- Ground Systems Supporting Payload Processing Readiness
- Sustaining of Existing Ground Systems & Development of New Capability Effectiveness
- Facility and Equipment Maintenance and Reliability Effectiveness
- Customer Satisfaction
- Achievement of Socioeconomic Goals
- Total Contract Cost Performance against the negotiated estimated cost of the contract, which may include the value of undefinitized change orders when appropriate

CAPPS METRIC I-1: Effective Flight Hardware Processing

-

Performance Standard (Attach J-8, Minimum Acceptable Performance): No impacts to mission objectives, mission success, or major program schedule milestones. The expected performance is an average effectiveness score of greater than or equal to 85% for the award fee period.

CAPPS Metric I-02

Reserved Page



CAPPS METRIC I-2 GRAPHIC

Reserved Page



CAPPS METRIC I-3: Safety and Mission Assurance Effectiveness

Performance Standard (Attach J-8, Minimum Acceptable Performance): Effective implementation of the ISHMA Plan such that there are no occurrences of Type A or B Mishaps and no quality escapes that affect scheduled Level 1 milestones or mission objectives.

METRIC I-4: Timely Reporting and Corrective Action Planning

Performance Standard: Report critical issues to the Government within four hours of first discovery. **All critical issues must be reported person to person.** Initiation of a corrective action plan to prevent recurrence and mission impacts within 48 hours, unless waived by the Government.

The Government reserves the right, upon appeal, to waive the 4-hour reporting requirement based upon an evaluation of:

- The magnitude of the consequences or potential consequences resulting from the issue
- The contractor's response to and recovery from the issue
- Any circumstances associated with the failure to notify the Government

In all cases, the contractor must perform an assessment of the notification failure and present their findings and recommend corrective actions to the Government.

Metric I-4 Graphic

Metric I-4, Timely Reporting and Corrective Action Planning

CAPPS METRIC I-5: Readiness of Ground Systems to Support Payload Processing

Performance Standard (Attach J-8, Minimum Acceptable Performance): Ground Systems are available to support payload processing and customer requirements with no impacts to mission objectives, safety, mission success or major program schedule milestones.

METRIC I-5 GRAPHIC

CAPPS METRIC I-6: Effectiveness of Sustaining Existing Ground Systems, Development of New Capability and Other Significant Events

Performance Standard (Attach J-8, Minimum Acceptable Performance): Ground Systems Projects and Mission Modifications are complete with no impacts to mission objectives, safety, mission success, or major program schedule milestones.

METRIC I-6 GRAPHIC

CAPPS METRIC I-7: Effective Facility and Equipment Maintenance and Reliability

Performance Standard (Attach J-8, Minimum Acceptable Performance): 95% completion ratio in accumulated total of all planned maintenance tasks within the reporting period. There will be no impact to mission schedules, safety, or major program schedule milestones for all ground systems.

METRIC I-7 GRAPHIC

CAPPS METRIC I-8: Ability to Resolve Payload Customer Concerns

Performance Standard (Attach J-8, Minimum Acceptable Performance): 100% of the Payload Customer concerns are addressed per approved plan.

METRIC I-8 GRAPHIC

METRIC I-9: Annual Achievement of Socioeconomic Goals

PERFORMANCE STANDARD: Performance goal is meeting 95% of the cumulative Small Business goals.

CAPPS METRIC I-9 GRAPHIC

**METRIC I-10: Total Contract Cost Performance Measured Against
Negotiated Estimated Cost of the Contract**

Performance Standard (Attach J-8, Minimum Acceptable Performance): The contract cost for the period is less than or equal to the negotiated estimated cost of the contract period, which may include the value of undefinitized change orders, when appropriate. Note: The period is defined as the six-month award fee period for the first period starting in October of each fiscal year. For the award fee period starting in April of each fiscal year, the evaluation period is defined as the total 12 months in the fiscal year. Thereby, the cost performance is measured against negotiated estimated cost of the contract cumulatively for six months and then twelve months. The evaluation of cost performance starts over again in each fiscal year, and there is no carry-over from previous fiscal year(s). The evaluation of cost performance in the second period of the fiscal year will not change the available or earned fees from any previous award fee period(s).

Metric I-10 Graphic

Metric I-10, Total Contract Cost Performance Measured Against Negotiated Estimated Cost of the Contract (Sample data)

Enclosure III**Score Conversion Chart**

<u>Combined Performance/ Award Fee Score</u>		<u>Percentage of Available Fee</u>
100		100.0%
99		99.0
98		98.0
97		97.0
96	Excellent	96.0
95		95.0
94		94.0
93		93.0
92		92.0
91		91.0

90		90.0
89		89.0
88		88.0
87		87.0
86		86.0
85	Very Good	85.0
84		84.0
83		83.0
82		82.0
81		81.0

80		80.0
79		79.0
78		78.0
77		77.0
76		76.0
75	Good	75.0
74		74.0
73		73.0
72		72.0
71		71.0

70		70.0
69		69.0
68		68.0
67		67.0
66		66.0
65	Satisfactory	65.0
64		64.0
63		63.0
62		62.0
61		61.0

60 and below		0.0